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Thursday, March 3rd 2016

Testimony in SUPPORT of SB 39 An Act Concerning Employees Who Customarily And Regularly Receive Gratuities And The Minimum Fair Wage

Senator Gomes, Representative Tercyak and each of the distinguished members of the Labor and Public Employees Committee, thank you for opportunity to speak before the committee.

My name is Kennard Ray and I serve as the Director of Strategic Partnerships at the Restaurant Opportunities Centers United, and I am testifying in support of the 63,000 plus tipped workers here in the state of Connecticut.

As the state battles through questions of how to close fiscal gaps in a budget crisis, we need to look no further than fairness for the answers. Eliminating the subminimum wage caused by the so-called "tipped credit" and bringing the 63,376 workers up to the standard minimum wage would produce a stimulus of \$361,153,001.21 back into the local economy. Furthermore, this would provide an opportunity to shift funds dedicated to the safety net to families in greater need. As it stands, tipped workers in our state currently receive a combined \$764,476.17 in food stamps each month of the year.

The restaurant industry is one of the largest and fastest-growing private sector employers in the nation, yet despite exponential growth and profitability the industry is rife with low wage jobs. In fact, in Connecticut five of the ten lowest paid occupations are in the restaurant industry, with four of these being tipped. A small minority does make a living wage, but they are not representative of all tipped workers in the state. Servers, the largest group of all tipped workers, have nearly three times the poverty rate of the workforce as a whole, and rely on food stamps at a higher rate than the general population.

We analyzed the American Community Survey and found that nearly 6,000 tipped workers in Connecticut, workers who would like to provide for themselves and their families must depend on food stamps and other public benefits to survive. Again, this costs the state \$764,476.17 a month.

The burden created by the subminimum wage for tipped workers disproportionately impacts women and people of color. In Connecticut, poverty rates are higher for African American and Latino servers, with nearly 20% of African American servers and 18% of Latino servers living in poverty, compared to 14% of white servers. Women make up 66% of tipped workers and 68% of restaurant servers, suffering disproportionately from the low tipped minimum wage. While men make up a majority of non-tipped restaurant workers who make the standard minimum wage, women make up a large percentage of tipped workers in restaurants.

Of note, in recent months national publications such as the New York Times have endorsed the elimination of the subminimum wage as well as both leading Democratic Presidential nominees. Adding to that the Alaska, California, Nevada, Minnesota, Montana, Oregon and Washington State have already eliminated the subminimum – it becomes abundantly clear that it's time for One Fair Wage.

Year	Full MW Tip	credit Tip MW	percentage
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Jan 16	\$9.60	36.8%	\$6.07
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Jan 17	\$10.10	36.8%	\$6.38
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Jan 17	\$10.10	30.7%	\$7.00
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Jan 18	\$10.10	23.3%	\$7.75
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Jan 19	\$10.10	15.8%	\$8.50
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Jan 20	\$10.10	8.4%	\$9.25
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Jan 21	\$10.10	—	\$10.10
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Bartenders

Jan 16	\$9.60	18.50%	\$7.82
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Jan 17	\$10.10	18.50%	\$8.23
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Jan 17	\$10.10	15.8%	\$8.50
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Jan 18	\$10.10	10.9%	\$9.00
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Jan 19	\$10.10	6%	\$9.50
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Jan 20	\$10.10	—	\$10.10
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Jan 21	\$10.10		\$10.10
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Proposed CT Tip Elimination Phase In

Trending: Where restaurants reign

Updated 4:30 pm, Thursday, January 9, 2014

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IMAGE 1 OF 27

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The popular Molto at 1215 Post Road in Fairfield even draws a decent crowd in foul weather on Sunday, January 5, 2014. Fairfield County has the second highest number of restaurants per capita of any region in ... [more](#)

It turns out the Bridgeport area is situated in the middle of a food oasis. With hundred of restaurants sprinkled throughout the area, Fairfield County has the second highest ratio of restaurants to residents in the nation, second only to the San Francisco Bay Area.

Westport and Fairfield are prime examples of that statistic, which was published in a recent study conducted by the real estate website Trulia.

A Hearst Connecticut Newspapers analysis found that the town of Fairfield has the third highest concentration of restaurants per population in the area, with 9.1 eateries for every 10,000 residents, bringing it in a few spots behind No. 1 Westport, where the figure is 11.7 restaurants per 10,000 people.

To calculate these numbers, our analysis considered restaurants with full liquor licenses issued by the **Connecticut Department of Consumer Protection** and population figures recorded by the **U.S. Census Bureau**.

"It's interesting; I would think Fairfield would be the one with the most restaurants per population, maybe just because it's a larger town," said **Bill Taibe**, who owns Westport restaurants Le Farm and The Whelk.

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Recent changes in Westport's planning and zoning laws that have made it easier to bring new establishments into town probably have something to do with it, Taibe said.

Prior to July 2010, Westport's zoning regulations stated that an establishment could not have a bar where patrons could sit and order drinks within 1,500 feet of another establishment with such a bar. But after years of lobbying, that rule was overturned, leading to an influx of new places where people can grab a bite and a sip.

"I think this surge is new, and probably that's what's making it so visible that Westport has so many places," said Taibe.

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But luring diners to one town in southwestern Connecticut with the promise of plentiful options for eating out is no small task, especially with a foodie mecca less than an hour away

"A lot of times, I think people have this misconception that you have to go to New York City for amazing food, and what people don't realize is that Fairfield County has so many amazing restaurants that can absolutely compete with the best restaurants in Manhattan," said **Kristen Del Ferraro**, a local food blogger who founded the popular OmNomCT.com with her husband several years ago.

But clearly the number of restaurants in the area is indicative of a population that loves to eat out. Even small Fairfield County towns manage to stick out as having high numbers of restaurants in a region where the baseline bar is high. It's something restaurateur **Sarah Boissou** has noticed in her hometown of Ridgefield, where she and her husband own Bernard's as well as Sarah's Wine Bar.

"What we found when we moved here to open our restaurant was that it's a beautiful place to live and to have a business. I felt like I could see my future being here," Boissou said. "It was the charm of the town that brought us here -- not necessarily running the numbers of what people earn and all that."

Charm is great. But when it comes down to it, planting yourself in a place where families have plenty of disposable cash is a must for any restaurateur who wants to survive in an industry with an infamously high failure rate. Indeed, most of the metropolitan areas ranked near the top in Trulia's analysis are well-to-do areas, from San Francisco at No.1 to Fairfield County at No. 2, Long Island at No. 3, the New York City area at No. 4 and Seattle at No. 5.

Each of these top-tier food towns boasts a median household income well above the Fairfield County average of \$82,614, with Westport's coming in 85 percent higher at \$152,586. While some of the area's larger towns and cities have more restaurants in raw numbers, they don't stack up against these small towns' ratios once the number of residents is factored in.

"Westport is an attractive place for someone who wants to open a restaurant," said Taibe. "There's a lot of money in this town, and that's obviously where you'd want to open a restaurant -- someplace where there's a focus on luxury items as opposed to necessity items."

And with the restaurant pool growing nonstop, the options can seem endless for food connoisseurs searching for their new favorite haunt.

"It can be tough," said **Dan Del Ferraro**, the other half of the OmNomCT blogging brain trust.

"Week by week, we have a to-do list for restaurants we want to try, and each week it grows by at least five restaurants," he said. "It's out of control."

"But I feel like the restaurants that we want to try and we get around to -- the ones that stay

are really great. They're places that capture people's attention; people love the food, the creativity and that they're treated well and I think those places stay around."

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